

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2019/2020

BIB 3114 – ISLAMIC BANKING

(All sections / Groups)

15 OCTOBER 2019
2.30 p.m. – 4.30 p.m.
(2 Hours)

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INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 2 pages with 4 Questions only.
2. Answer all questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please print all your answers in the Answer Booklet provided.

Question 1 (25 Marks)

- a) (i) Explain the two types of savings account for an Islamic bank. (10 marks)
- (ii) Differentiate each type of savings account based on its return and risk characteristics. (5 marks)
- b) Murabahah is a type of short-term financing. Show and illustrate the Murabahah transaction for an electrical goods shop owner who wants to purchase 100 aircond for his customer at RM1,000 each and the bank's profit margin is RM5,000. The shop owner does not have enough aircond and so he scouts around for a wholesaler that does. (10 marks)

Question 2 (25 Marks)

- (a) Explain with a diagram the process of Musyarakah Equity Financing. (8 marks)
- (b) One of the savings deposit that Islamic bank offered is Mudharabah deposits. Explain five (5) features of this type of deposits. (5 marks)
- (c) The branches of Islamic Bank are required to supply the balance of the accounts in their daily or weekly reports. To comply with this requirement, you are required to calculate the monthly daily average balance of customers' deposit using the following information:

Date	Daily balances (RM million)
1	12.91
2	10.29
3	11.29
4	12.92
5	12.39
6	14.29
7	12.90
8	12.49
9	9.29
10	17.29
11	12.29
12	12.91
13	12.29
14	16.29

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15	12.90
16	12.91
17	12.91
18	12.91
19	11.29
20	11.29
21	11.29
22	17.29
23	12.29
24	12.91
25	12.29
26	16.29
27	12.90
28	11.29
29	11.29
30	17.29
31	12.29

What is the monthly daily average balance for this bank? (12 marks)

Question 3 (25 Marks)

- (a) Please explain with a diagram the seven stages for buying and selling of handbags using the Letter of Credit with Bank Islam in Kuala Lumpur and exporter agent bank in London. (15 marks)
- (b) Explain FIVE (5) purposes of using Islamic leasing. (10 marks)

Question 4 (25 marks)

- (a) Explain with a diagram the process of Islamic operating lease with three parties. (12 marks)
- (b) What are the basis of Islamic investing for Islamic banks? (8 marks)
- (c) What are the THREE (3) differences between Islamic and conventional debt funds? (5 marks)

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